



OFFICE OF
INSURANCE COMMISSIONER

EMERGENCY ORDER NO. 20-05

TO: ALL INSURERS AUTHORIZED OR ADMITTED TO TRANSACT PROPERTY AND CASUALTY INSURANCE BUSINESS IN WASHINGTON STATE AND ALL ENTITIES REGULATED BY THE INSURANCE COMMISSIONER

FROM: MIKE KREIDLER, INSURANCE COMMISSIONER

RE: PROVIDING RELIEF TO WASHINGTON CONSUMERS FROM COVID-19 OUTBREAK BY ADDRESSING REPORTING REQUIREMENTS FOR COLLECTING WITHHELD DEPRECIATION PAYMENTS

PURSUANT TO RCW 48.02.060(4)(a), the Insurance Commissioner of the state of Washington (“Insurance Commissioner”) orders all insurers, insurance producers, surplus line brokers, and other entities regulated by the Insurance Commissioner (hereafter “Regulated Entities”), as follows:

- A. All Regulated Entities transacting any property or casualty insurance business in the state of Washington that have deadlines requiring policyholders to report completed repairs in order to claim withheld depreciation payments that will expire between April 27, 2020 and June 26, 2020, or the expiration of the Governor’s Emergency Proclamation 20-25 Stay Home – Stay Healthy and any subsequent extensions or amendments, whichever is first, shall extend these deadlines to at least 60 days after June 26, 2020, or the expiration of the Governor’s Emergency Proclamation 20-25 Stay Home – Stay Healthy and any subsequent extensions or amendments, whichever is first, to give policyholders a meaningful opportunity to meet reporting requirements for withheld depreciation payments.
- B. All Regulated Entities transacting any property or casualty insurance business in the state of Washington that had deadlines requiring policyholders to report completed repairs in order to claim withheld depreciation payments that expired between February 29, 2020 and April 27, 2020, shall extend these deadlines to at least 60 days after June 26, 2020, or the expiration of the Governor’s Emergency Proclamation 20-25 Stay Home – Stay Healthy and any subsequent extensions or amendments, whichever is first, to give policyholders a meaningful opportunity to meet reporting requirements for withheld depreciation payments.

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BASIS

1. On February 29, 2020, the Governor issued Proclamation 20-05 declaring an emergency related to the COVID-19 outbreak. This proclamation provides in pertinent part as follows (emphasis added):

I, Jay Inslee, Governor of the state of Washington, as a result of the above noted situation, and under Chapters 38.08, 38.52 and 43.06 RCW, do hereby proclaim that a State of Emergency exists in all counties in the state of Washington, and direct the plans and procedures of the Washington State Comprehensive Emergency Management Plan be implemented. State agencies and departments are directed to utilize state resources and to do everything reasonably possible to assist affected political subdivisions in an effort to respond to and recover from the outbreak.

2. The COVID-19 outbreak has harmed or threatened to harm the property, safety and welfare of Washington citizens who have been rendered ill or whose lives or employment have been otherwise disrupted by the COVID-19 outbreak in the state of Washington. It has also placed significant barriers on policyholders' ability to obtain necessary repairs in order to meet the claim reporting requirements in their policies for depreciation payments.
3. The geographical extent of this state of emergency is the entire state of Washington.
4. RCW 48.02.060(4)(a) provides in pertinent part that, when the Governor proclaims a state of emergency under RCW 43.06.010(12), the Insurance Commissioner may issue an order that addresses any or all of specified matters related to insurance policies issued in this state which include: (a) Reporting requirements for claims.
5. RCW 48.02.060(5) provides that an order by the Insurance Commissioner under subsection (4) of this section may remain effective for not more than sixty (60) days unless the Insurance Commissioner extends the termination date for the order for an additional period of not more than thirty (30) days. The Insurance Commissioner may extend the order if, in the Insurance Commissioner's judgment, the circumstances warrant an extension. An order of the Insurance Commissioner under subsection (4) of this section is not effective after the related state of emergency is terminated by proclamation of the Governor under RCW 43.06.210. The order must specify, by line of insurance: (a) the geographic areas in which the order applies, which must be within but may be less extensive than the geographic area specified in the Governor's proclamation of a state of emergency and must be specific according to an appropriate means of delineation, such as the United States postal service zip codes or other appropriate means; and (b) the date on which the order becomes effective and the date on which the order terminates.

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6. Emergency action by the Insurance Commissioner is necessary to protect the property, safety and welfare of Washington citizens affected by the COVID-19 outbreak in the state of Washington.

ORDER

NOW, THEREFORE, the Insurance Commissioner hereby activates the provisions of RCW 48.02.060(4)(a) in order to protect the property, safety and welfare of Washington citizens affected by the COVID-19 outbreak in the state of Washington, as set forth above. The geographical extent of this Emergency Order is the entire state of Washington.

This Order shall remain in effect until June 26, 2020, or the expiration of the Governor's Emergency Proclamation 20-25 Stay Home – Stay Healthy and any subsequent extensions or amendments, whichever is first, subject to the further order of the Insurance Commissioner extending its effect.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Olympia, Washington, this 27th day of April, 2020.



MIKE KREIDLER
Insurance Commissioner